

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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|------------------------------------|---|----------------|
| THE APPLICATION OF NOLIN RURAL |) | |
| ELECTRIC COOPERATIVE CORPORATION |) | |
| OF ELIZABETHTOWN, KENTUCKY, FOR AN |) | CASE NO. 10382 |
| ORDER AUTHORIZING THE CREATION OF |) | |
| INDUSTRIAL RATES |) | |

O R D E R

IT IS ORDERED that Nolin Rural Electric Cooperative Corporation ("Nolin") shall file an original and 12 copies of the following information with this Commission, with a copy to all parties of record. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. The information requested herein is due no later than November 30, 1988. If the information cannot be provided by this date, you should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

1. East Kentucky Power Cooperative Corporation ("EKPC"), in its application in Case No. 10369, The Notice of East Kentucky Power Cooperative, Inc. of a Revision to Its Wholesale Power Tariff, states that the purpose of its proposed Schedule B is to attract industrial loads with low load factors. Nolin states in the application in this case that the proposed tariffs, to be

coordinated with EKPC's wholesale tariff filed in Case No. 10369, are intended to attract new loads that have high load factors. Explain the apparent inconsistency in the stated purposes of these two tariffs.

2. Provide workpapers detailing the determination and calculations of the 8-mill, 3-mill, and 2-mill adders to the wholesale energy charges in Schedules 9, 10, and 11, respectively.

3. On page 10 of the Industrial Power Agreement between Nolin and AP Technoglass it is stated that EKPC has provided facilities specifically to serve AP Technoglass with a total cost of approximately \$400,000, and will provide additional facilities with an estimated cost of \$200,000 at such time as customer's demand exceeds 10,000 KW.

a. Fully describe all facilities provided and to be provided as described above.

b. Are these facilities to be used to serve AP Technoglass exclusively? If no, specifically state the other customers to be served by the facilities and the proportions of the facilities that they and AP Technoglass will use.

c. What is the projected annual operating and maintenance expenses for the facilities?

d. Who will ultimately pay for the new and proposed facilities and all annual expenses? Provide a complete breakdown of these payments.

4. Other than Flint Ink and AP Technoglass, has Nolin discussed these new Industrial Tariffs with any present or potential customers? What is the total projected load to be

served separately by Nolin under Schedules 9, 10, and 11 for the next 5-year period?

5. What new facilities will be necessary to serve these potential customers? What is the cost of these facilities? What arrangements will be made for the payment of these costs?

6. Are these new Industrial Tariffs designed and proposed as economic development rates? If so, does Nolin plan to satisfy all Commission requirements on economic development rates as specified in its Order in Case No. 10064, General Adjustment in Gas and Electric Rates of Louisville Gas and Electric Company?

7. Provide the most recent cost-of-service study performed by Nolin.

8. EKPC charges each of its member-distribution coops a monthly load center charge of \$1,069. Nolin proposes a monthly customer charge of \$1,069. Does this imply that each customer served under Schedules A, B, and C is a separate load center?

Done at Frankfort, Kentucky, this 14th day of November, 1988.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director